

Washington Merry-go-round

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WASHINGTON — Out of obscurity, International Telephone and Telegraph has leapfrogged into the ranks of international industrial corporations.

This spectacular growth was not achieved by the traditional routes to corporate success. ITT is not known for developing new products or introducing revolutionary marketing techniques. Nor has ITT produced a new mousetrap, a cheaper one or a better-packaged one.

ITT has soared to the industrial heights by buying up existing companies at an ever-accelerating pace. The consortium has also laid political pipelines that reach into the inner councils of governments around the world.

In Washington, ITT opened an office five blocks from the White House. Like the great government departments, ITT had its Office of Congressional Liaison and its Congressional Relations Section. One side of the Congressional Relations Section worked the Democrats, the other the Republicans.

We keep our own charts on corporate activity; they graph not the statistics found in business journals, but the corporate handouts to politicians. On this indicator, ITT showed a rising curve in the 1960s that kept pace with its climb on Dow Jones.

The company gave away free plane rides, cut-rate vacations, touring cars for congressional junketeers, legal business to the law firms of public officials and other forms of gravy, including a highly organized program of campaign contributions.

We exposed most of this in the early 1970s. We also reported that ITT had developed a cozy relationship with the Nixon administration. Together, they conspired to block the duly elected president of Chile, Salvadore Allende, from assuming office. ITT officials at first denied, but later admitted, their complicity. They continued to insist that corporate money hadn't been used to influence political events in Chile. Then ITT Chairman Harold Geneen confessed that \$350,000 may have been funneled to Allende's opponents.

Meanwhile, ITT has faded from the headlines. But many conscientious stockholders have been working quietly

to clean up the company. More than 150 church groups, for example, own corporate stock. They have banded together under the Interfaith Center for Corporate Responsibility to demand a detailed account of all "political contributions, bribes and other questionable payments of \$2,000 or more that may have been funneled to Chilean political candidates" by ITT.

Slipping in the back door of the Securities and Exchange Commission, ITT executives tried to get excused from publishing this request in their annual proxy statement. But the commission turned thumbs down and ordered them to publish the Chilean resolution.

An ITT spokesman said the company wanted to omit the resolution from its proxy statement because it was similar to another resolution.

BROKEN PROMISE — President Carter has made an extra effort to keep his campaign promises to the American people. But like most presidents before him, he has finally broken one.

The broken promise involves a story we reported on Sept. 22, 1976. We reported that then-President Gerald Ford, prodded by Internal Revenue Commissioner Donald Alexander, abandoned the use of tax enforcement to catch drug traffickers.

Top narcotics dealers rarely handle the drugs themselves. Instead, they rake in huge profits from street sales and hide their illegal spoils in foreign banks. Clearly, Internal Revenue is an essential agency in making strong cases against these monied mobsters.

After our story about the withdrawal of Internal Revenue from drug enforcement, Carter raised a howl. "Mr. Ford . . . let the highly effective Narcotics Traffickers Tax Program wither on the vine," he complained. "I will revive the program to catch drug dealers through tax evasion indictments."

Even after he moved into the White House, Carter reiterated that gambling, prostitution and drug trafficking are interrelated and, therefore, that it will take the joint efforts of all government agencies to prosecute the criminals.

Yet despite his promise, the president

not only failed to "revive" the program; he cut its funding by \$11 million.

WHO'S NEWS — Senate Majority Leader Robert Byrd, D-W.Va., has been pushing behind the scenes for a solar heating project for the Page Jackson Elementary school in his home state. This received the special attention of the top officials of the Energy Research and Development Administration, who quietly authorized the project. "Technically, the project is not a big step forward," conceded an internal memo. But "politically, there is an environment that will not take no for an answer."

— Law - and - order propagator Richard Velde has been booted out by the Democrats after 30 months as chief of the Law Enforcement Assistance Administration. Before his departure he quietly discussed job possibilities with American University, which had received close to \$2 million from his agency. Velde told us he secured an opinion from the Justice Dept. that it would be perfectly legal for him to work for the university.

Edward Bennett Williams, the Washington legal whiz, is furious over a derogatory title in the forthcoming book, "Playing for Keeps in Washington." The chapter about Williams is called "Fast Eddie." Apparently, Eddie took offense at the title. At least the author, Laurence Leamer, claims he received a phone call from an irate Williams. "You won't make any money on this book," Williams reportedly spluttered. According to Leamer's account of the conversation, the attorney threatened legal action unless certain changes were made. Williams would no comment on the incident.